
**SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

Governmental Funds

Governmental funds include the General Fund, several special revenue funds, a Capital Projects Fund, and two permanent funds. The State does not use debt service funds because it does not accumulate resources to pay future years' general long-term debt principal and interest; instead, the State finances such payments directly from the current year's resources.

This subsection of the Comprehensive Annual Financial Report provides the following supplementary information for the State's governmental funds:

- Combining Balance Sheet—Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds
- General Fund Reserve Activity—Budgetary General Fund

Generally accepted accounting principles (GAAP) for governments require that a Comprehensive Annual Financial Report (CAFR) include budgetary comparison schedules for "individual nonmajor special revenue funds and other governmental funds of the primary government (including its blended component units)." Such schedules would be included as supplementary information in this subsection of the CAFR if they were applicable. The State of South Carolina, however, does not prepare separate budgets for its individual special revenue funds or for its other governmental funds. Accordingly, this subsection includes no budgetary comparison schedules.

The State prepares only a *program-based budget* for *General Funds* and for *Total Funds*. The *Total Funds* category includes both the GAAP General Fund and some (but not all) activities and programs that are reported for GAAP purposes in various individual governmental, proprietary, and fiduciary funds. It is not possible to associate balances in the State's budget for Total Funds with particular nonmajor special revenue or other governmental funds. In some cases, some activities of a GAAP fund are budgeted whereas other activities within the same GAAP fund are unbudgeted.

The Governmental Accounting Standards Board currently is considering new guidance regarding budgetary comparison reporting for governments, such as South Carolina's, that prepare program-based (rather than fund-based) budgets. South Carolina will comply with that guidance when it is issued.

Note 1b in the notes to the financial statements describes the State's major governmental funds. The paragraphs below describe all other individual governmental funds that the State uses.

a. Nonmajor Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. The State uses the nonmajor special revenue funds described below:

Education Improvement Act Fund. This fund accounts for the special additional 1% sales tax levied to be used exclusively for improvements in elementary and secondary education, including academic loans for future teachers.

Children's Education Endowment Fund. This fund accounts for low-level radioactive waste fees collected from the Barnwell waste facility that are not required to be deposited to the General Fund or remitted to Barnwell County. These funds are to be used for public school facilities assistance and higher education scholarship grants.

Waste Management Fund. This fund accounts for fees collected from consumers, generators of solid and hazardous wastes, and owners and operators of solid waste and hazardous waste storage facilities. These fees must be used for the purposes set forth in the State's Solid Waste Policy and Management Act of 1991 and to cover the State's costs in governmental actions involving uncontrolled hazardous waste sites.

Accommodations and Local Option Sales Tax Fund. This fund accounts for: (1) a special additional 2% sales tax on the gross proceeds on the rental of transient accommodations and (2) a special 1% sales tax applicable in some localities within the State. The State allocates these revenues to counties and municipalities in accordance with State law.

Medicaid Expansion Fund. Resources of this fund include county assessments for indigent medical care and a tax on licensed hospitals. The fund was established to provide Medicaid coverage to persons formerly ineligible for such coverage and to provide additional State matching funds for Medicaid.

Tobacco Settlement Revenue Management Authority Fund. The Tobacco Settlement Revenue Management Authority was created to issue bonds that securitized future payments received under the multi-state legal settlement with the tobacco industry. The State transferred to the Authority, from its General Fund, all of its rights to the future tobacco settlement revenues. In return, the Authority transferred part of the bond proceeds to the State Tobacco Settlement Fund.

Education Lottery Fund. State law requires the Lottery Commission, a major discretely presented component unit, to transfer all proceeds from lottery ticket sales and other revenues net of expenses to the Education Lottery Fund. The Fund distributes these monies for education purposes and programs as stipulated in State law. These programs include tuition assistance, needs-based grants, and

Governmental Funds

scholarships for the State's universities and technical colleges.

Jobs–Economic Development Authority Fund. The Jobs–Economic Development Authority acts in conjunction with other organizations in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State. The Authority's emphasis is on those areas of the State with the greatest economic need and those projects providing the greatest economic benefit.

Public Telecommunications Fund. The Public Telecommunications Fund of the State's Public Service Commission accounts for revenues collected from telephone companies within the State and redistributed to certain telephone companies in an effort to align prices and cost recovery with costs. This program also is intended to ensure basic telephone service at affordable rates is available to all citizens. Other revenues of the Fund include telephone customer surcharges for the 911 emergency system mandated by the FCC. These monies are collected from the telephone companies and distributed to local governments for their 911 emergency telephone systems.

Other Special Revenue Funds. These funds, aggregated for reporting purposes, account for various other revenues that must be used for specific purposes. These include operations of various employment services, water recreation, agricultural boards, forest renewal programs, certain housing programs, medical and dental scholarships, energy-related programs, and certain programs administered by the Department of Probation, Parole, and Pardon Services.

b. Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments). Capital outlays financed from general obligation bond proceeds are accounted for through the Capital Projects Fund.

c. Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs—that is, for the benefit of the State or its citizenry.

Bequests Fund. Sometimes, private citizens make bequests to the State within their wills of specific assets. Typically, these gifts provide that the State may expend the earnings, but not the principal, to support certain State agencies or certain programs within a specific State agency. The Bequests Fund accounts for these funds.

Wildlife Endowment Fund. The Wildlife Endowment Fund accounts for funds received from private citizens as gifts and contributions, as well as fees for certain lifetime hunting and fishing licenses. The State may expend the earnings, but not the principal, in furthering the conservation of wildlife resources and the efficient operation of the State's Department of Natural Resources.

Combining Balance Sheet

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2002

(Expressed in Thousands)

						SPECIAL
	Education Improvement Act	Children's Education Endowment	Waste Management	Accommodations and Local Option Sales Tax	Medicaid Expansion	Tobacco Settlement Revenue Management Authority
ASSETS						
Cash and cash equivalents.....	\$ 48,952	\$ 52,499	\$ 139,396	\$ 44,689	\$ 7,527	\$ 126
Investments.....	—	—	—	—	—	—
Invested securities lending collateral.....	2,438	11,297	28,617	50	697	—
Receivables, net:						
Accounts.....	2,066	759	1,445	2	71	—
Taxes.....	57,816	18,989	—	27,925	—	—
Student loans.....	11,429	—	—	—	—	—
Loans and notes.....	—	—	—	—	—	—
Due from Federal government and other grantors.....	—	—	—	—	—	—
Due from other funds.....	7,911	66	23	39	—	—
Due from component units.....	—	—	—	—	—	—
Interfund receivables.....	—	—	—	—	—	—
Inventories.....	—	—	29	—	—	—
Restricted assets:						
Cash and cash equivalents.....	—	—	—	—	—	149
Investments.....	—	—	—	—	—	115,291
Other.....	—	—	—	—	—	2,497
Other assets.....	—	—	—	—	—	—
Total assets.....	\$ 130,612	\$ 83,610	\$ 169,510	\$ 72,705	\$ 8,295	\$ 118,063
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities.....	\$ 2,379	\$ 8	\$ 4,545	\$ 4	\$ —	\$ —
Retainages payable.....	—	—	—	—	—	—
Tax refunds payable.....	165	—	—	44	—	—
Intergovernmental payables.....	9,617	5,315	552	70,112	—	—
Due to other funds.....	2,115	59	192	91	35	—
Interfund payables.....	14,638	—	—	—	—	—
Deferred revenues.....	4,586	—	—	2,404	1,494	—
Securities lending collateral.....	2,438	11,297	28,617	50	697	—
Other liabilities.....	20	—	—	—	—	—
Total liabilities.....	35,958	16,679	33,906	72,705	2,226	—
Fund balances:						
Reserved for:						
Interfund receivables.....	—	—	—	—	—	—
Long-term loans and notes receivable.....	2,998	—	—	—	—	—
Debt requirements.....	—	—	—	—	—	117,937
School building aid.....	5,886	—	—	—	—	—
Endowments.....	—	—	—	—	—	—
Unreserved:						
Designated for capital expenditures.....	—	—	—	—	—	—
Designated for scholarships.....	22,013	—	—	—	—	—
Undesignated.....	63,757	66,931	135,604	—	6,069	126
Total fund balances.....	94,654	66,931	135,604	—	6,069	118,063
Total liabilities and fund balances.....	\$ 130,612	\$ 83,610	\$ 169,510	\$ 72,705	\$ 8,295	\$ 118,063

REVENUE

PERMANENT FUNDS

Education Lottery	Jobs– Economic Development Authority	Public Tele- commun- ications	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
\$ 71,332	\$ 3,222	\$ 20,432	\$ 67,116	\$ 455,291	\$ 123,091	\$ 1,096	\$ 1,185	\$ 2,281	\$ 580,663
—	662	—	—	662	—	—	—	—	662
15,627	—	3,534	5,820	68,080	13,875	142	188	330	82,285
474	10	685	2,586	8,098	117	15	18	33	8,248
—	—	—	3,169	107,899	330	—	—	—	108,229
—	—	—	—	11,429	—	—	—	—	11,429
—	1,233	—	9,549	10,782	—	—	—	—	10,782
—	—	—	—	—	2,658	—	—	—	2,658
—	—	666	2,396	11,101	2,352	—	—	—	13,453
10,895	—	—	—	10,895	—	—	—	—	10,895
—	—	—	43	43	—	—	—	—	43
—	—	—	—	29	—	—	—	—	29
—	—	—	—	149	—	—	—	—	149
—	—	—	—	115,291	—	—	—	—	115,291
—	—	—	—	2,497	—	—	—	—	2,497
—	125	—	—	125	—	—	—	—	125
\$ 98,328	\$ 5,252	\$ 25,317	\$ 90,679	\$ 802,371	\$ 142,423	\$ 1,253	\$ 1,391	\$ 2,644	\$ 947,438
\$ —	\$ 49	\$ 4,382	\$ 2,300	\$ 13,667	\$ 6,633	\$ —	\$ —	\$ —	\$ 20,300
—	—	—	—	—	3,199	—	—	—	3,199
—	—	—	1	210	—	—	—	—	210
—	—	—	8,621	94,217	—	—	—	—	94,217
—	—	229	1,259	3,980	5,261	—	—	—	9,241
—	—	—	834	15,472	—	—	—	—	15,472
—	—	—	—	8,484	930	—	—	—	9,414
15,627	—	3,534	5,820	68,080	13,875	142	188	330	82,285
—	—	—	2	22	—	—	—	—	22
15,627	49	8,145	18,837	204,132	29,898	142	188	330	234,360
—	—	—	43	43	—	—	—	—	43
—	—	—	9,081	12,079	—	—	—	—	12,079
—	—	—	—	117,937	—	—	—	—	117,937
—	—	—	—	5,886	—	—	—	—	5,886
—	—	—	—	—	—	663	1,072	1,735	1,735
—	—	—	—	—	112,525	—	—	—	112,525
—	—	—	—	22,013	—	—	—	—	22,013
82,701	5,203	17,172	62,718	440,281	—	448	131	579	440,860
82,701	5,203	17,172	71,842	598,239	112,525	1,111	1,203	2,314	713,078
\$ 98,328	\$ 5,252	\$ 25,317	\$ 90,679	\$ 802,371	\$ 142,423	\$ 1,253	\$ 1,391	\$ 2,644	\$ 947,438

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

						SPECIAL
	Education Improvement Act	Children's Education Endowment	Waste Management	Accommodations and Local Option Sales Tax	Medicaid Expansion	Tobacco Settlement Revenue Management Authority
Revenues:						
Taxes:						
Retail sales and use.....	\$ 505,231	\$ —	\$ 1,646	\$ 230,560	\$ —	\$ —
Other.....	—	18,988	—	—	39,500	—
Licenses, fees, and permits.....	112	—	23,106	—	—	—
Interest and other investment income.....	4,131	4,067	6,788	(7)	451	7,443
Federal.....	—	—	—	—	—	—
Local and private grants.....	—	—	—	—	—	—
Departmental services.....	—	—	19	—	—	—
Contributions.....	—	—	—	—	7,500	—
Fines and penalties.....	—	—	432	—	—	—
Tobacco legal settlement.....	—	—	—	—	—	86,079
Other.....	314	172	87	—	—	—
Total revenues.....	509,788	23,227	32,078	230,553	47,451	93,522
Expenditures:						
Current:						
General government.....	1,647	—	1	66	—	83
Education.....	31,943	13,584	—	—	—	—
Health and environment.....	731	—	27,665	—	47,252	—
Social services.....	159	—	—	—	—	—
Administration of justice.....	1,262	—	—	—	—	—
Resources and economic development.....	—	—	—	—	—	—
Capital outlay.....	—	—	—	—	—	—
Debt service:						
Principal retirement.....	—	—	—	—	—	31,610
Interest and fiscal charges.....	—	—	—	—	—	70,338
Intergovernmental.....	490,890	29,576	4,671	228,908	—	—
Total expenditures.....	526,632	43,160	32,337	228,974	47,252	102,031
Excess (deficiency) of revenues over (under) expenditures.....	(16,844)	(19,933)	(259)	1,579	199	(8,509)
Other financing sources (uses):						
Bonds issued.....	—	—	—	—	—	—
Premiums on bonds issued.....	—	—	—	—	—	—
Transfers in.....	12,387	12	4,384	—	3	—
Transfers out.....	(12,503)	—	(48,115)	(1,579)	—	—
Total other financing sources (uses).....	(116)	12	(43,731)	(1,579)	3	—
Net change in fund balances.....	(16,960)	(19,921)	(43,990)	—	202	(8,509)
Fund balances at beginning of year (restated).....	111,614	86,852	179,594	—	5,867	126,572
Fund balances at end of year.....	\$ 94,654	\$ 66,931	\$ 135,604	\$ —	\$ 6,069	\$ 118,063

REVENUE**PERMANENT FUNDS**

Education Lottery	Jobs– Economic Development Authority	Public Tele- commun- ications	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
\$ —	\$ —	\$ —	\$ —	\$ 737,437	\$ —	\$ —	\$ —	\$ —	\$ 737,437
—	—	—	27,942	86,430	3,422	—	—	—	89,852
—	—	2,187	7,784	33,189	—	—	88	88	33,277
1,556	186	946	2,155	27,716	(609)	58	69	127	27,234
—	—	—	10	10	31,872	—	—	—	31,882
—	—	—	218	218	181	—	—	—	399
—	590	7,885	53	8,547	612	—	—	—	9,159
81,145	—	—	895	89,540	199	—	—	—	89,739
—	—	—	23,138	23,570	15	—	—	—	23,585
—	—	—	—	86,079	—	—	—	—	86,079
—	14	—	2,578	3,165	1,670	—	—	—	4,835
82,701	790	11,018	64,773	1,095,901	37,362	58	157	215	1,133,478
—	—	3,461	17,130	22,388	—	—	—	—	22,388
—	—	—	—	45,527	—	2	—	2	45,529
—	—	—	78	75,726	—	—	—	—	75,726
—	—	—	6,390	6,549	—	9	—	9	6,558
—	—	—	14,146	15,408	—	—	—	—	15,408
—	1,906	—	4,317	6,223	—	—	192	192	6,415
—	—	—	—	—	92,076	—	—	—	92,076
—	47	—	—	31,657	—	—	—	—	31,657
—	8	—	278	70,624	—	—	—	—	70,624
—	—	4,478	25,589	784,112	—	—	—	—	784,112
—	1,961	7,939	67,928	1,058,214	92,076	11	192	203	1,150,493
82,701	(1,171)	3,079	(3,155)	37,687	(54,714)	47	(35)	12	(17,015)
—	—	—	—	—	125,000	—	—	—	125,000
—	—	—	—	—	5,798	—	—	—	5,798
—	99	—	5,309	22,194	18,313	—	—	—	40,507
—	—	(55)	(10,219)	(72,471)	(107,029)	—	—	—	(179,500)
—	99	(55)	(4,910)	(50,277)	42,082	—	—	—	(8,195)
82,701	(1,072)	3,024	(8,065)	(12,590)	(12,632)	47	(35)	12	(25,210)
—	6,275	14,148	79,907	610,829	125,157	1,064	1,238	2,302	738,288
\$ 82,701	\$ 5,203	\$ 17,172	\$ 71,842	\$ 598,239	\$ 112,525	\$ 1,111	\$ 1,203	\$ 2,314	\$ 713,078

General Fund Reserve Activity

BUDGETARY GENERAL FUND

Last Ten Fiscal Years

Article III, Section 36, of the South Carolina Constitution establishes requirements relating to the General Fund Reserve, a reserve primarily designed to prevent Budgetary General Fund deficits. On November 4, 1988, a Constitutional amendment was passed, which permanently changed the funding requirement for the Reserve to three percent of the

Budgetary General Fund revenue of the latest completed fiscal year.

If amounts are withdrawn from the Reserve, the State Constitution requires restoration of the Reserve to full funding within three years.

Key amounts (dollars in thousands) for the General Fund Reserve for the last ten fiscal years are:

Fiscal Year Ended June 30	Start-of- Year Balance	Deposits	Withdrawals	End-of-Year Balance	Full-Funding Amount ^a	Actual End-of- Year % Funded ^b
1993	\$ —	\$ 66,832	\$ —	\$ 66,832	\$ 100,248	67%
1994	66,832	43,346	—	110,178	110,178	100%
1995	110,178	10,557	—	120,735	120,735	100%
1996	120,735	6,271	—	127,006	127,006	100%
1997	127,006	3,374	—	130,380	130,380	100%
1998	130,380	—	—	130,380	137,650	95%
1999	130,380	7,270	—	137,650	145,371	95%
2000	137,650	7,721	—	145,371	147,916	98%
2001	145,371	2,545	(87,393)	60,523	150,202	40%
2002	60,523	2,286	(62,809)	—	152,410	0%

^aEquals 3% of the Budgetary General Fund revenues for the latest completed fiscal year.

^bEquals (End-of-Year Balance/Full-Funding Amount) x 100.

Proprietary Funds

Proprietary funds include enterprise and internal service funds. This subsection of the Comprehensive Annual Financial Report provides the following supplementary information for the State's proprietary funds:

- Combining Statement of Net Assets—Nonmajor Enterprise Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets—Nonmajor Enterprise Funds
- Combining Statement of Cash Flows—Nonmajor Enterprise Funds
- Combining Statement of Net Assets—Internal Service Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets—Internal Service Funds
- Combining Statement of Cash Flows—Internal Service Funds

Note 1b in the notes to the financial statements describes the State's major enterprise funds. The paragraphs below describe all nonmajor enterprise funds and the internal service funds that the State uses.

a. Nonmajor Enterprise Funds

The State uses enterprise funds to report activities for which it charges fees to external users for goods or services if *any* of the following situations applies:

- The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

The State uses the nonmajor enterprise funds described below.

Patients' Compensation Fund. This fund provides medical malpractice insurance to any public or private health care provider within the State. This fund is reported as an insurance enterprise.

Patriots Point Development Authority Fund. The Patriots Point Development Authority is responsible for developing and operating the Patriots Point area near Charleston, including a naval museum. The Authority is supported by user fees.

Second Injury Fund. This fund serves as a claims processor for insurance carriers, self-insurers, and the State Accident Fund. The fund processes claims of employees with existing permanent physical impairment who are further injured in the course of their subsequent employment.

The Citadel Trust, Inc., Fund. The Citadel Trust was formed for the purpose of investing funds in order to provide scholarship and other financial assistance or support to The Citadel, a higher education institution reported in the Higher Education Fund, a major enterprise fund.

Clemson Research Facilities Corporation Fund. This fund was organized to construct research facilities and to finance the related costs on behalf of Clemson University, a higher education institution reported in the Higher Education Fund, a major enterprise fund.

Pharmaceutical Education and Development Foundation Fund (PEDF). PEDF promotes educational, research, clinical, and other facilities and programs of the Medical University of South Carolina's College of Pharmacy. The Medical University of South Carolina is a higher education institution reported in the Higher Education Fund, a major enterprise fund.

Medical University Hospital Authority Fund (the Authority). The Authority was created to manage and operate the Medical University of South Carolina's hospitals and clinics.

Medical University Facilities Corporation Fund (MUFC). MUFC was established to obtain financing for the Medical University of South Carolina to purchase land, an office building, and a parking garage.

University of South Carolina Trust Fund (the Trust). The Trust operates exclusively for the benefit of the University of South Carolina's School of Medicine to augment and aid education, research, and service in the field of health sciences. The University of South Carolina is a higher education institution reported in the Higher Education Fund, a major enterprise fund. The Trust's fiscal year ends December 31, and the accompanying supplementary information includes the Trust's financial information for the fiscal year ended December 31, 2001.

University Medical Associates Fund (UMA). UMA delivers inpatient and outpatient professional services for the benefit of the Medical University of South Carolina. It bills, collects, and administers all clinical income generated by its participating physicians. The Medical University of South Carolina is a higher education institution reported in the Higher Education Fund, a major enterprise fund.

Other Enterprise Funds. Other enterprise activities of the State include: the Savannah Valley Development and the Public Railways Divisions of the South Carolina Department of Commerce, and the Canteens Fund.

Proprietary Funds

b. Internal Service Funds

The State uses the internal service funds described below to report activities that provide goods or services to other State funds, departments, agencies, component units, and/or to other governments, on a cost-reimbursement basis if the State is the predominant participant in the activity. If the State is *not* the predominant participant, it reports the activity as an enterprise fund.

Insurance Reserve Fund. This is a risk management/reinsurance fund. It underwrites insurance risks on public buildings and their contents and tort liability, medical malpractice, and automobile liability for public employees. State law limits the Fund's customers to certain governmental persons/entities within the State and certain associated parties.

Employee Insurance Programs Fund. This is a risk management fund that underwrites the group health, dental, life, accidental death and dismemberment, disability, and long-term care benefits provided to State and public school employees and retirees.

State Accident Fund. This is a risk management fund that provides workers' compensation benefits predominantly to State employees. Premiums are collected from State agencies.

General Services Fund. This fund accounts for various services provided to State and local governmental units for which user fees are charged. These services include telecommunication and computer services, rental of office buildings,

janitorial services, building maintenance, and procurement services.

Central Supplies and Equipment Fund. This fund sells office supplies and equipment, food, and paper products to other governmental units. It also stores food and paper products for State agencies.

Motor Pool Fund. This fund provides daily and permanent lease assignments of vehicles to State agencies. It also maintains an inventory of automotive parts to provide maintenance of these vehicles.

Pension Administration Fund. This fund administers the public employee retirement systems. Revenues of the fund primarily consist of assessments charged to the pension trust funds.

Prison Industries Fund. This fund accounts for goods produced by inmate labor. These goods are sold primarily to State agencies.

Governor's School for the Arts Foundation, Inc., Fund. This fund collects and disburses funds for the support of programs, services, scholarships, operations, and capital needs of the South Carolina Governor's School for the Arts and Humanities. The Foundation is a blended component unit of that entity.

Other Internal Service Funds. These funds, aggregated for reporting purposes, account for other miscellaneous activities that meet the definition of internal service funds. Such activities include provision of training programs for State employees and work activity centers of the Vocational Rehabilitation Department.

Combining Statement of Net Assets

NONMAJOR ENTERPRISE FUNDS

June 30, 2002

(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	The Citadel Trust, Inc.
ASSETS				
Current assets:				
Cash and cash equivalents.....	\$ 10,328	\$ 5,577	\$ 195	\$ 465
Investments.....	—	—	—	608
Invested securities lending collateral.....	1,991	1,095	10,252	—
Receivables, net:				
Accounts.....	89	258	—	863
Patient and student.....	—	—	—	—
Due from other funds.....	—	—	—	—
Inventories.....	—	343	—	—
Restricted assets:				
Cash and cash equivalents.....	—	—	47,124	234
Investments.....	—	—	—	272
Student loans receivable.....	—	—	—	78
Other.....	—	—	741	—
Other current assets.....	—	—	—	33
Total current assets.....	12,408	7,273	58,312	2,553
Long-term assets:				
Investments.....	—	—	—	1,274
Accounts receivable, net.....	—	—	—	1,130
Interfund receivables.....	—	—	—	—
Restricted assets:				
Cash and cash equivalents.....	—	—	—	1,502
Investments.....	—	—	—	38,172
Loans receivable.....	—	—	—	—
Student loans receivable.....	—	—	—	771
Other.....	—	—	—	—
Other long-term assets.....	—	—	—	356
Capital assets:				
Land and improvements.....	—	5,766	—	—
Buildings and improvements.....	—	1,460	—	—
Construction in progress.....	—	—	—	—
Vehicles.....	—	—	—	—
Machinery and equipment.....	—	533	59	—
Works of art and historical treasures.....	—	6,967	—	—
Intangible assets.....	—	—	—	—
Less: accumulated depreciation.....	—	(7,136)	(42)	—
Total capital assets, net accumulated depreciation.....	—	7,590	17	—
Total long-term assets.....	—	7,590	17	43,205
Total assets.....	12,408	14,863	58,329	45,758

Clemson Research Facilities Corporation	Pharmaceutical Education and Development Foundation	Medical University Hospital Authority	Medical University Facilities Corporation	University of South Carolina Trust	University Medical Associates	Other Enterprise	Totals
\$ 132	\$ 421	\$ 16,961	\$ —	\$ 5,525	\$ 25,484	\$ 16,515	\$ 81,603
—	—	—	—	4,867	2,013	115	7,603
—	—	—	—	—	—	1,642	14,980
—	200	1,306	7	792	—	2,966	6,481
—	—	75,647	—	2,640	19,175	—	97,462
—	—	—	—	—	2,524	231	2,755
—	—	10,441	—	—	—	1,538	12,322
—	—	1,033	972	—	—	3,218	52,581
—	—	—	317	—	—	—	589
—	—	—	—	—	—	—	78
—	—	—	—	—	—	121	862
15	—	2,638	16	—	1,348	12	4,062
147	621	108,026	1,312	13,824	50,544	26,358	281,378
—	—	—	—	—	—	274	1,548
—	—	—	—	—	—	—	1,130
3,082	—	—	24,122	—	3,694	—	30,898
548	—	28,756	1,824	—	4,382	—	37,012
—	—	—	213	—	8,235	—	46,620
—	—	—	—	—	—	15,940	15,940
—	—	—	—	—	—	—	771
—	—	—	—	—	89	—	89
81	—	697	224	—	22,970	296	24,624
—	—	3,270	—	—	—	15,308	24,344
—	—	186,206	—	14,988	58,589	2,598	263,841
—	—	28,976	—	—	158	2,529	31,663
—	—	1,089	—	—	—	601	1,690
—	—	121,773	—	6,176	9,856	3,430	141,827
—	—	—	—	—	—	—	6,967
—	—	—	—	—	3,590	2,300	5,890
—	—	(160,080)	—	(6,741)	(18,539)	(4,777)	(197,315)
—	—	181,234	—	14,423	53,654	21,989	278,907
3,711	—	210,687	26,383	14,423	93,024	38,499	437,539
3,858	621	318,713	27,695	28,247	143,568	64,857	718,917

Continued on Next Page

Combining Statement of Net Assets

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2002

(Expressed in Thousands)

	<u>Patients'</u> <u>Compensation</u>	<u>Patriots Point</u> <u>Development</u> <u>Authority</u>	<u>Second</u> <u>Injury</u>	<u>The Citadel</u> <u>Trust, Inc.</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities.....	\$ 41	\$ 386	\$ 89	\$ 5
Retainages payable.....	—	—	—	—
Policy claims.....	30,000	—	—	—
Due to other funds.....	1	22	468	—
Deferred revenues.....	12,800	590	—	—
Securities lending collateral.....	1,991	1,095	10,252	—
Liabilities payable from restricted assets.....	—	—	47,403	—
Notes payable.....	—	—	—	—
Revenue bonds payable.....	—	—	—	—
Certificates of participation payable.....	—	—	—	—
Capital leases payable.....	—	—	—	—
Compensated absences payable.....	5	260	80	—
Other current liabilities.....	—	—	—	8
Total current liabilities.....	<u>44,838</u>	<u>2,353</u>	<u>58,292</u>	<u>13</u>
Long-term liabilities:				
Policy claims.....	172,652	—	—	—
Interfund payables.....	—	—	—	—
Notes payable.....	—	—	—	—
Revenue bonds payable.....	—	—	—	—
Certificates of participation payable.....	—	—	—	—
Capital leases payable.....	—	—	—	—
Compensated absences payable.....	13	—	20	—
Other long-term liabilities.....	—	—	—	459
Total long-term liabilities.....	<u>172,665</u>	<u>—</u>	<u>20</u>	<u>459</u>
Total liabilities.....	<u>217,503</u>	<u>2,353</u>	<u>58,312</u>	<u>472</u>
NET ASSETS				
Invested in capital assets, net of related debt.....	—	7,590	17	—
Restricted:				
Expendable:				
Education.....	—	—	—	21,326
Capital projects.....	—	—	—	200
Debt service.....	—	—	—	—
Other.....	—	—	—	—
Nonexpendable:				
Education.....	—	—	—	18,901
Unrestricted.....	(205,095)	4,920	—	4,859
Total net assets.....	<u>\$ (205,095)</u>	<u>\$ 12,510</u>	<u>\$ 17</u>	<u>\$ 45,286</u>

Clemson Research Facilities Corporation	Pharmaceutical Education and Development Foundation	Medical University Hospital Authority	Medical University Facilities Corporation	University of South Carolina Trust	University Medical Associates	Other Enterprise	Totals
\$ —	\$ 5,445	\$ 24,169	\$ 733	\$ 3,264	\$ 8,288	\$ 5,262	\$ 47,682
—	—	1,033	—	—	—	—	1,033
—	—	—	—	—	—	—	30,000
—	710	6,659	—	—	—	166	8,026
—	—	—	—	—	—	36	13,426
—	—	—	—	—	—	1,642	14,980
—	—	—	—	—	—	587	47,990
—	—	4,085	—	—	23,858	2	27,945
—	—	—	444	420	—	—	864
505	—	—	775	—	—	—	1,280
—	—	2,752	—	93	694	—	3,539
—	—	10,337	—	651	1,804	322	13,459
—	—	427	—	—	5,174	—	5,609
<u>505</u>	<u>6,155</u>	<u>49,462</u>	<u>1,952</u>	<u>4,428</u>	<u>39,818</u>	<u>8,017</u>	<u>215,833</u>
—	—	—	—	—	—	—	172,652
—	1,623	1,596	—	—	—	15,940	19,159
—	—	12,882	—	—	97,678	18	110,578
—	—	96,375	10,819	9,760	—	—	116,954
3,231	—	—	13,525	—	—	—	16,756
—	—	7,092	—	94	1,028	—	8,214
—	—	—	—	—	1,202	124	1,359
—	171	—	—	215	1,606	—	2,451
<u>3,231</u>	<u>1,794</u>	<u>117,945</u>	<u>24,344</u>	<u>10,069</u>	<u>101,514</u>	<u>16,082</u>	<u>448,123</u>
<u>3,736</u>	<u>7,949</u>	<u>167,407</u>	<u>26,296</u>	<u>14,497</u>	<u>141,332</u>	<u>24,099</u>	<u>663,956</u>
—	—	58,047	—	4,055	826	21,969	92,504
—	—	—	—	—	—	—	21,326
—	—	—	—	—	—	—	200
—	—	—	2,038	—	9,081	2,752	13,871
—	—	—	—	—	—	50	50
—	—	—	—	—	—	—	18,901
122	(7,328)	93,259	(639)	9,695	(7,671)	15,987	(91,891)
<u>\$ 122</u>	<u>\$ (7,328)</u>	<u>\$ 151,306</u>	<u>\$ 1,399</u>	<u>\$ 13,750</u>	<u>\$ 2,236</u>	<u>\$ 40,758</u>	<u>\$ 54,961</u>

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2002
(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	The Citadel Trust, Inc.
Operating revenues:				
Charges for services.....	\$ 22,718	\$ 7,783	\$ 1,461	\$ —
Interest and other investment income.....	—	—	—	(4,461)
Operating revenues pledged for revenue bonds.....	—	—	—	—
Other operating revenues.....	—	—	—	1,391
Total operating revenues.....	22,718	7,783	1,461	(3,070)
Operating expenses:				
General operations and administration.....	584	6,091	1,432	72
Benefits and claims.....	78,365	—	—	—
Depreciation and amortization.....	—	394	6	—
Other operating expenses.....	—	232	29	—
Total operating expenses.....	78,949	6,717	1,467	72
Operating income (loss).....	(56,231)	1,066	(6)	(3,142)
Nonoperating revenues (expenses):				
Interest income.....	608	169	—	—
Contributions.....	—	23	—	3,496
Local/private grants and contracts.....	—	—	—	30
Interest expense.....	—	—	—	—
Other nonoperating revenues (expenses).....	—	—	—	49
Total nonoperating revenues (expenses).....	608	192	—	3,575
Income (loss) before other revenues, expenses, losses, and transfers.....	(55,623)	1,258	(6)	433
Local/private capital grants and contracts.....	—	—	—	14
Private gifts for endowment purposes.....	—	—	—	910
Extraordinary loss on early extinguishment of debt.....	—	—	—	—
Other extraordinary items.....	—	—	—	—
Special items.....	—	—	—	—
Transfers in.....	—	—	—	—
Transfers out.....	—	—	—	(3,907)
Change in net assets.....	(55,623)	1,258	(6)	(2,550)
Net assets at beginning of year (restated).....	(149,472)	11,252	23	47,836
Net assets at end of year.....	\$ (205,095)	\$ 12,510	\$ 17	\$ 45,286

Clemson Research Facilities Corporation	Pharmaceutical Education and Development Foundation	Medical University Hospital Authority	Medical University Facilities Corporation	University of South Carolina Trust	University Medical Associates	Other Enterprise	Totals
\$ —	\$ —	\$ —	\$ —	\$ 21,530	\$ 176,750	\$ 24,120	\$ 254,362
—	—	—	—	—	—	—	(4,461)
—	—	507,630	2,034	—	—	—	509,664
—	—	10,098	—	11,928	6,154	—	29,571
—	—	517,728	2,034	33,458	182,904	24,120	789,136
35	27	487,711	1,930	33,765	163,618	19,862	715,127
—	—	—	—	—	—	—	78,365
10	—	16,987	17	871	3,181	451	21,917
—	—	—	—	—	—	1,967	2,228
45	27	504,698	1,947	34,636	166,799	22,280	817,637
(45)	(27)	13,030	87	(1,178)	16,105	1,840	(28,501)
290	14	—	—	(217)	1,419	2,171	4,454
—	—	778	—	—	—	—	4,297
—	—	—	—	—	—	800	830
(257)	—	—	—	(392)	(6,895)	(1,229)	(8,773)
—	(253)	—	—	(39)	2,556	(4,228)	(1,915)
33	(239)	778	—	(648)	(2,920)	(2,486)	(1,107)
(12)	(266)	13,808	87	(1,826)	13,185	(646)	(29,608)
—	—	—	—	—	—	—	14
—	—	—	—	—	—	—	910
—	(575)	—	—	—	—	—	(575)
—	—	—	—	—	(2,150)	—	(2,150)
—	—	—	—	—	(2,571)	—	(2,571)
20	—	—	—	—	—	—	20
—	—	(3,751)	(44)	—	(5,375)	(52)	(13,129)
8	(841)	10,057	43	(1,826)	3,089	(698)	(47,089)
114	(6,487)	141,249	1,356	15,576	(853)	41,456	102,050
\$ 122	\$ (7,328)	\$ 151,306	\$ 1,399	\$ 13,750	\$ 2,236	\$ 40,758	\$ 54,961

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	The Citadel Trust, Inc.
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers.....	\$ 26,718	\$ 5,245	\$ —	\$ —
Assessments received.....	—	—	98,442	—
Grants received.....	—	—	—	—
Other operating cash receipts.....	—	2,459	—	—
Claims and benefits paid.....	(28,614)	—	(99,686)	—
Payments to suppliers for goods and services.....	—	(2,752)	—	(33)
Payments to employees.....	—	(3,074)	—	(39)
Other operating cash payments.....	(561)	(452)	(1,448)	—
Net cash provided by (used in) operating activities.....	(2,457)	1,426	(2,692)	(72)
Cash flows from noncapital financing activities:				
Funds held for others.....	—	—	—	—
Principal payments received from other funds.....	—	—	—	—
Principal payments made to other funds.....	—	—	—	—
Receipt of interest from other funds.....	—	—	—	—
Interest payments made to other funds.....	—	—	—	—
Proceeds from issuance of noncapital debt.....	—	—	—	—
Principal paid on noncapital debt.....	—	—	—	—
Payments of other liability.....	—	—	—	—
Interest payments on noncapital debt.....	—	—	—	—
Gifts and grants for other than capital purposes.....	—	—	—	2,451
Other cash receipts	—	—	—	187
Other cash payments	—	—	—	—
Operating transfers in	—	—	—	—
Operating transfers out	—	—	—	(3,907)
Net cash provided by (used in) noncapital financing activities.....	—	—	—	(1,269)
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	—	(52)	—	—
Principal payments on notes payable.....	—	—	—	—
Proceeds from issuance of capital debt.....	—	—	—	—
Principal paid on capital debt and lease.....	—	—	—	—
Interest payments on capital debt.....	—	—	—	—
Payment of agent and broker fees.....	—	—	—	—
Proceeds from sale or disposal of capital assets.....	—	—	—	—
Capital grants and gifts received.....	—	—	—	14
Net cash provided by (used in) capital and related financing activities.....	—	(52)	—	14
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	—	—	—	41,193
Purchase of investments	—	—	—	(41,862)
Interest and dividends on investments.....	717	163	3,462	1,418
Collection of escrow payments from borrower.....	—	—	—	—
Net cash provided by investing activities.....	717	163	3,462	749
Net increase (decrease) in cash and cash equivalents.....	(1,740)	1,537	770	(578)
Cash and cash equivalents at beginning of year	12,068	4,040	46,549	2,779
Cash and cash equivalents at end of year.....	\$ 10,328	\$ 5,577	\$ 47,319	\$ 2,201

Clemson Research Facilities Corporation	Pharmaceutical Education and Development Foundation	Medical University Hospital Authority	Medical University Facilities Corporation	University of South Carolina Trust	University Medical Associates	Other Enterprise	Totals
\$ —	\$ —	\$ 484,820	\$ —	\$ 21,722	\$ 168,820	\$ 21,484	\$ 728,809
—	—	—	—	—	—	—	98,442
—	—	—	—	—	—	800	800
—	—	11,370	—	11,997	4,907	918	31,651
—	—	—	—	—	—	—	(128,300)
(38)	(418)	(276,171)	—	(11,451)	(56,143)	(19,300)	(366,306)
—	(203)	(180,056)	—	(22,323)	(89,246)	(5,010)	(299,951)
—	(3)	—	—	—	(251)	(1,967)	(4,682)
(38)	(624)	39,963	—	(55)	28,087	(3,075)	60,463
—	—	—	(451)	—	—	—	(451)
227	—	—	1,024	—	—	—	1,251
—	—	—	—	—	—	(1,330)	(1,330)
278	—	—	1,946	—	—	—	2,224
—	—	—	—	—	—	(1,351)	(1,351)
—	—	—	—	—	22,075	—	22,075
—	(16)	—	(1,132)	—	(26,500)	—	(27,648)
—	—	—	—	—	—	(896)	(896)
—	—	—	(1,964)	—	(3,302)	—	(5,266)
—	—	—	—	—	—	—	2,451
—	—	—	—	—	—	—	187
—	—	—	—	—	(35)	—	(35)
20	—	—	—	—	—	—	20
—	—	(3,751)	(44)	—	(5,375)	(52)	(13,129)
525	(16)	(3,751)	(621)	—	(13,137)	(3,629)	(21,898)
—	—	(40,874)	—	(4,205)	(3,542)	(2,509)	(51,182)
—	—	—	—	—	—	(2)	(2)
—	—	108,560	—	—	—	—	108,560
(510)	—	(110,984)	—	(687)	(1,954)	—	(114,135)
—	—	(7,131)	—	(392)	(3,968)	(1)	(11,492)
—	—	—	—	—	(198)	—	(198)
—	875	—	—	—	126	—	1,001
—	—	—	—	—	—	—	14
(510)	875	(50,429)	—	(5,284)	(9,536)	(2,512)	(67,434)
—	—	—	1,278	2,518	10,888	—	55,877
—	—	—	(1,278)	(1,521)	(10,764)	—	(55,425)
11	14	778	80	335	931	1,237	9,146
—	—	—	—	—	—	1,724	1,724
11	14	778	80	1,332	1,055	2,961	11,322
(12)	249	(13,439)	(541)	(4,007)	6,469	(6,255)	(17,547)
692	172	60,189	3,337	9,532	23,397	25,988	188,743
\$ 680	\$ 421	\$ 46,750	\$ 2,796	\$ 5,525	\$ 29,866	\$ 19,733	\$ 171,196

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	The Citadel Trust, Inc.
Reconciliation of operating income(loss) to net cash provided by (used in) operating activities:				
Operating income (loss).....	\$ (56,231)	\$ 1,066	\$ (6)	\$ (3,142)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	394	6	—
Provision for bad debts.....	—	—	—	—
Realized gains and losses on investments.....	—	—	—	4,765
Interest payments reclassified as noncapital financing activities....	—	—	—	—
Interest and dividends on investments and interfund loans.....	—	—	—	(1,695)
Amounts received for payment of claims.....	—	—	96,981	—
Payment of claims.....	—	—	(99,686)	—
Other nonoperating revenues.....	—	23	—	—
Other nonoperating expenses.....	—	—	—	—
Other.....	—	—	(4)	—
Change in assets—decreases (increases):				
Accounts receivable, net.....	—	(15)	—	—
Due from other funds.....	—	—	—	—
Inventories.....	—	(60)	—	—
Other assets	—	—	—	—
Change in liabilities—increases (decreases):				
Accounts payable and accrued liabilities.....	25	(39)	(1)	—
Policy claims.....	49,751	—	—	—
Due to other funds.....	1	5	—	—
Deferred revenues	4,000	32	—	—
Compensated absences payable	(3)	20	18	—
Other liabilities.....	—	—	—	—
Net cash provided by (used in) operating activities.....	\$ (2,457)	\$ 1,426	\$ (2,692)	\$ (72)
Noncash capital, investing, and financing activities:				
Acquisition of capital assets through assumption of liabilities.....	\$ —	\$ —	\$ —	\$ —
Disposal of capital assets.....	—	—	—	—
Increase (decrease) in fair value of investments.....	—	—	—	(2,818)
Long-term debt forgiven.....	—	—	—	—
Assumption of debt.....	—	—	—	—
Gifts in kind.....	—	—	—	80
Total noncash capital, investing, and financing activities.....	\$ —	\$ —	\$ —	\$ (2,738)

Clemson Research Facilities Corporation	Pharmaceutical Education and Development Foundation	Medical University Hospital Authority	Medical University Facilities Corporation	University of South Carolina Trust	University Medical Associates	Other Enterprise	Totals
\$ (45)	\$ (27)	\$ 13,030	\$ 87	\$ (1,178)	\$ 16,105	\$ 1,840	\$ (28,501)
10	—	16,987	17	871	3,181	451	21,917
—	—	24,239	—	—	16,432	—	40,671
—	—	—	—	—	—	—	4,765
—	—	7,131	1,930	—	—	—	9,061
—	—	—	(2,034)	—	—	—	(3,729)
—	—	—	—	—	—	—	96,981
—	—	—	—	—	—	—	(99,686)
—	—	—	—	—	5,042	1,140	6,205
—	—	122	—	—	(775)	(4,347)	(5,000)
—	199	—	—	—	—	194	389
—	(200)	(22,811)	—	261	(15,857)	(889)	(39,511)
—	—	—	—	—	2,264	(226)	2,038
—	—	—	—	—	—	(101)	(161)
(3)	58	1,088	—	46	750	20	1,959
—	83	(342)	—	775	829	(1,227)	103
—	—	—	—	—	—	—	49,751
—	(737)	1,789	—	—	—	96	1,154
—	—	—	—	—	—	(4)	4,028
—	—	—	—	(45)	(507)	(22)	(539)
—	—	(1,270)	—	(785)	623	—	(1,432)
\$ (38)	\$ (624)	\$ 39,963	\$ —	\$ (55)	\$ 28,087	\$ (3,075)	\$ 60,463
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,021	\$ —	\$ 1,021
—	7,591	—	—	—	—	—	7,591
—	—	—	—	(552)	489	—	(2,881)
—	7,090	—	—	—	—	—	7,090
—	—	—	—	—	(43)	—	(43)
—	—	—	—	—	—	—	80
\$ —	\$ 14,681	\$ —	\$ —	\$ (552)	\$ 1,467	\$ —	\$ 12,858

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS

June 30, 2002

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident Fund</u>	<u>General Services</u>	<u>Central Supplies and Equipment</u>
ASSETS					
Current assets:					
Cash and cash equivalents.....	\$ 95,785	\$ 44,448	\$ 23,239	\$ 32,435	\$ 669
Invested securities lending collateral.....	65,161	8,441	4,728	199	—
Accounts receivable.....	13,642	1,726	44,664	551	—
Due from other funds.....	385	21,411	1,512	8,078	888
Inventories.....	—	—	—	1,252	1,637
Other current assets.....	10,443	—	235	—	—
Total current assets.....	<u>185,416</u>	<u>76,026</u>	<u>74,378</u>	<u>42,515</u>	<u>3,194</u>
Long-term assets:					
Investments.....	232,635	21,210	1,019	—	—
Accounts receivable.....	—	—	112	—	—
Interfund receivables.....	22,055	—	—	—	—
Other long-term assets.....	—	—	15	—	—
Capital assets:					
Land and improvements.....	—	—	—	6,913	—
Buildings and improvements.....	—	—	—	177,256	—
Construction in progress.....	—	—	—	1,252	—
Vehicles.....	—	—	—	1,679	18
Machinery and equipment.....	341	222	876	48,005	8
Intangible assets.....	—	—	8,152	—	—
Less: accumulated depreciation.....	(195)	(160)	(4,870)	(99,310)	(4)
Total capital assets, net.....	<u>146</u>	<u>62</u>	<u>4,158</u>	<u>135,795</u>	<u>22</u>
Total long-term assets.....	<u>254,836</u>	<u>21,272</u>	<u>5,304</u>	<u>135,795</u>	<u>22</u>
Total assets.....	<u>440,252</u>	<u>97,298</u>	<u>79,682</u>	<u>178,310</u>	<u>3,216</u>

<u>Motor Pool</u>	<u>Pension Adminis- tration</u>	<u>Prison Industries</u>	<u>Governor's School for the Arts Foundation, Inc.</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ 9,574	\$ 1,356	\$ 2,586	\$ 1,247	\$ 969	\$ 212,308
—	298	—	—	—	78,827
284	332	1,957	772	—	63,928
1,652	—	502	—	14	34,442
11	—	3,721	—	—	6,621
—	—	—	—	—	10,678
<u>11,521</u>	<u>1,986</u>	<u>8,766</u>	<u>2,019</u>	<u>983</u>	<u>406,804</u>
—	—	—	165	—	255,029
—	—	—	—	—	112
—	—	—	—	—	22,055
—	—	—	—	—	15
929	—	—	—	—	7,842
527	—	5,704	—	—	183,487
—	—	—	—	—	1,252
33,956	—	1,217	—	—	36,870
24	2,362	6,272	—	7	58,117
—	565	—	—	—	8,717
(23,218)	(1,719)	(6,079)	—	(6)	(135,561)
<u>12,218</u>	<u>1,208</u>	<u>7,114</u>	<u>—</u>	<u>1</u>	<u>160,724</u>
<u>12,218</u>	<u>1,208</u>	<u>7,114</u>	<u>165</u>	<u>1</u>	<u>437,935</u>
<u>23,739</u>	<u>3,194</u>	<u>15,880</u>	<u>2,184</u>	<u>984</u>	<u>844,739</u>

Continued on Next Page

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS (Continued)

June 30, 2002

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident Fund	General Services	Central Supplies and Equipment
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities.....	\$ 1,073	\$ 846	\$ 8,925	\$ 5,542	\$ 583
Retainages payable.....	—	—	—	143	—
Policy claims.....	185,004	155,069	24,243	—	—
Due to other funds.....	8	160	54	676	10
Deferred revenues.....	31,434	2,065	45,729	—	—
Securities lending collateral.....	65,161	8,441	4,728	199	—
Notes payable.....	—	—	—	1,485	—
Limited obligation bonds payable.....	—	—	—	3,575	—
Capital leases payable.....	—	—	—	342	—
Compensated absences payable.....	56	49	260	1,610	—
Other current liabilities.....	—	—	—	19	—
Total current liabilities.....	<u>282,736</u>	<u>166,630</u>	<u>83,939</u>	<u>13,591</u>	<u>593</u>
Long-term liabilities:					
Policy claims.....	—	—	44,078	—	—
Interfund payables.....	—	—	—	6,878	700
Notes payable.....	—	—	—	1,655	—
Limited obligation bonds payable.....	—	—	—	27,022	—
Capital leases payable.....	—	—	—	1,874	—
Compensated absences payable.....	202	283	64	1,046	—
Total long-term liabilities.....	<u>202</u>	<u>283</u>	<u>44,142</u>	<u>38,475</u>	<u>700</u>
Total liabilities.....	<u>282,938</u>	<u>166,913</u>	<u>128,081</u>	<u>52,066</u>	<u>1,293</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt.....	146	62	4,158	100,166	22
Restricted:					
Expendable:					
Loan programs.....	20,000	—	—	—	—
Insurance programs.....	137,168	—	—	—	—
Nonexpendable:					
Education.....	—	—	—	—	—
Unrestricted.....	—	(69,677)	(52,557)	26,078	1,901
Total net assets (deficits).....	<u>\$ 157,314</u>	<u>\$ (69,615)</u>	<u>\$ (48,399)</u>	<u>\$ 126,244</u>	<u>\$ 1,923</u>

<u>Motor Pool</u>	<u>Pension Adminis- tration</u>	<u>Prison Industries</u>	<u>Governor's School for the Arts Foundation, Inc.</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ 1,056	\$ 1,845	\$ 778	\$ —	\$ 18	\$ 20,666
—	—	—	—	—	143
—	—	—	—	—	364,316
41	332	559	—	14	1,854
—	—	—	—	—	79,228
—	298	—	—	—	78,827
—	—	—	—	—	1,485
—	—	—	—	—	3,575
—	—	131	—	—	473
77	516	343	—	14	2,925
1	1	—	—	—	21
<u>1,175</u>	<u>2,992</u>	<u>1,811</u>	<u>—</u>	<u>46</u>	<u>553,513</u>
—	—	—	—	—	44,078
—	—	—	—	—	7,578
—	—	—	—	—	1,655
—	—	—	—	—	27,022
—	—	845	—	—	2,719
50	335	222	—	9	2,211
<u>50</u>	<u>335</u>	<u>1,067</u>	<u>—</u>	<u>9</u>	<u>85,263</u>
<u>1,225</u>	<u>3,327</u>	<u>2,878</u>	<u>—</u>	<u>55</u>	<u>638,776</u>
12,218	1,208	6,138	—	1	124,119
—	—	—	—	—	20,000
—	—	—	—	—	137,168
—	—	—	165	—	165
10,296	(1,341)	6,864	2,019	928	(75,489)
<u>\$ 22,514</u>	<u>\$ (133)</u>	<u>\$ 13,002</u>	<u>\$ 2,184</u>	<u>\$ 929</u>	<u>\$ 205,963</u>

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2002
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident Fund	General Services	Central Supplies and Equipment
Operating revenues:					
Charges for services.....	\$ 53,699	\$ 1,052,655	\$ 45,274	\$ 85,040	\$ 9,405
Contributions.....	—	—	—	—	—
Interest and other investment income.....	—	—	—	—	—
Licenses, fees, and permits.....	—	—	—	3	—
Total operating revenues.....	53,699	1,052,655	45,274	85,043	9,405
Operating expenses:					
General operations and administration.....	42,477	136,249	5,371	71,300	9,535
Benefits and claims.....	57,241	916,729	55,039	—	—
Depreciation and amortization.....	59	26	1,833	6,388	4
Other operating expenses.....	—	—	2,057	441	—
Total operating expenses.....	99,777	1,053,004	64,300	78,129	9,539
Operating income (loss).....	(46,078)	(349)	(19,026)	6,914	(134)
Nonoperating revenues (expenses):					
Interest income.....	20,462	4,464	1,393	162	—
Interest expense.....	—	—	—	(2,007)	—
Other nonoperating revenues (expenses).....	(38)	—	57	1,114	—
Total nonoperating revenues (expenses).....	20,424	4,464	1,450	(731)	—
Income (loss) before other revenues and transfers.....	(25,654)	4,115	(17,576)	6,183	(134)
Capital contributions.....	—	—	—	287	—
Transfers in.....	847	100	—	3,114	—
Transfers out.....	(412)	(1,086)	(5)	(6,013)	—
Change in net assets.....	(25,219)	3,129	(17,581)	3,571	(134)
Net assets (deficit) at beginning of year (restated).....	182,533	(72,744)	(30,818)	122,673	2,057
Net assets (deficit) at end of year.....	\$ 157,314	\$ (69,615)	\$ (48,399)	\$ 126,244	\$ 1,923

Motor Pool	Pension Adminis- tration	Prison Industries	Governor's School for the Arts Foundation, Inc.	Other Internal Service	Totals
\$ 16,427	\$ 15,082	\$ 18,876	\$ 19	\$ 379	\$ 1,296,856
—	—	—	655	—	655
—	—	—	44	—	44
—	—	—	—	—	3
16,427	15,082	18,876	718	379	1,297,558
8,526	15,984	19,392	644	438	309,916
—	—	—	—	—	1,029,009
5,884	250	530	—	—	14,974
2	69	8	—	2	2,579
14,412	16,303	19,930	644	440	1,356,478
2,015	(1,221)	(1,054)	74	(61)	(58,920)
—	173	—	—	—	26,654
—	—	—	—	—	(2,007)
493	—	(1,293)	—	(185)	148
493	173	(1,293)	—	(185)	24,795
2,508	(1,048)	(2,347)	74	(246)	(34,125)
—	—	—	—	—	287
—	—	—	—	37	4,098
(2,331)	—	—	—	(31)	(9,878)
177	(1,048)	(2,347)	74	(240)	(39,618)
22,337	915	15,349	2,110	1,169	245,581
\$ 22,514	\$ (133)	\$ 13,002	\$ 2,184	\$ 929	\$ 205,963

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident Fund	General Services
Cash flows from operating activities:				
Receipts from customers.....	\$ 32,804	\$ 641,992	\$ —	\$ —
Internal activity—payments from other funds.....	26,306	402,739	57,718	84,313
Other operating cash receipts.....	—	9,347	60	1,645
Claims paid.....	(41,738)	(904,862)	(46,397)	—
Payments to suppliers for goods and services.....	(47,529)	(130,142)	(10,705)	(69,007)
Payments to employees.....	(2,445)	(3,277)	(3,999)	(6,378)
Internal activity—payments to other funds.....	(811)	—	(107)	(629)
Other operating cash payments.....	—	—	(19)	(2)
Net cash provided by (used in) operating activities.....	(33,413)	15,797	(3,449)	9,942
Cash flows from noncapital financing activities:				
Principal payments received from other funds.....	9,773	—	—	—
Principal payments made to other funds.....	—	—	—	—
Receipt of interest from other funds.....	1,778	—	—	—
Loans received from other funds.....	—	—	—	—
Loans made to other funds.....	(9,561)	—	—	—
Operating transfers in.....	847	100	—	3,114
Operating transfers out.....	(412)	(1,086)	(5)	(6,013)
Net cash provided by (used in) noncapital financing activities.....	2,425	(986)	(5)	(2,899)
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	(9)	(39)	(82)	(3,736)
Principal payments on notes payable.....	—	—	—	(2,916)
Principal payments on limited obligation bonds.....	—	—	—	(3,425)
Principal paid on capital debt and lease.....	—	—	—	(320)
Interest payments on capital debt.....	—	—	—	(2,007)
Proceeds from sale or disposal of capital assets.....	30	22	—	—
Net cash provided by (used in) capital and related financing activities.....	21	(17)	(82)	(12,404)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	191,861	1,565	—	—
Purchase of investments.....	(175,196)	(4,070)	—	—
Interest on investments.....	17,568	4,462	1,416	162
Net cash provided by (used in) investing activities.....	34,233	1,957	1,416	162
Net increase in cash and cash equivalents.....	3,266	16,751	(2,120)	(5,199)
Cash and cash equivalents at beginning of year	92,519	27,697	25,359	37,634
Cash and cash equivalents at end of year.....	\$ 95,785	\$ 44,448	\$ 23,239	\$ 32,435

Central Supplies and Equipment	Motor Pool	Pension Adminis- tration	Prison Industries	Governor's School for the Arts Foundation, Inc.	Other Internal Service	Totals
\$ —	\$ —	\$ —	\$ 18,875	\$ 1,405	\$ 390	\$ 695,466
9,422	18,427	14,786	—	—	—	613,711
—	202	11	—	—	—	11,265
—	—	—	—	—	—	(992,997)
(9,613)	(8,943)	(3,217)	(10,182)	(16)	(5,336)	(294,690)
—	(1,528)	(9,948)	(7,818)	(643)	(282)	(36,318)
(178)	(285)	(2,015)	(20)	—	(17)	(4,062)
—	—	—	(2,003)	—	—	(2,024)
(369)	7,873	(383)	(1,148)	746	(5,245)	(9,649)
—	—	—	—	—	—	9,773
(1,000)	—	—	—	—	—	(1,000)
—	—	—	—	—	—	1,778
700	—	—	—	—	—	700
—	—	—	—	—	—	(9,561)
—	—	—	—	—	37	4,098
—	(2,331)	—	—	—	(31)	(9,878)
(300)	(2,331)	—	—	—	6	(4,090)
(25)	(1,793)	(504)	(92)	—	—	(6,280)
—	—	—	—	—	—	(2,916)
—	—	—	—	—	—	(3,425)
—	—	—	—	—	—	(320)
—	—	—	—	—	—	(2,007)
—	—	—	—	—	—	52
(25)	(1,793)	(504)	(92)	—	—	(14,896)
—	—	—	—	—	—	193,426
—	—	—	—	(36)	—	(179,302)
—	—	173	—	—	—	23,781
—	—	173	—	(36)	—	37,905
(694)	3,749	(714)	(1,240)	710	(5,239)	9,270
1,363	5,825	2,070	3,826	537	6,208	203,038
\$ 669	\$ 9,574	\$ 1,356	\$ 2,586	\$ 1,247	\$ 969	\$ 212,308

Continued on Next Page

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident Fund	General Services
Reconciliation of operating income(loss) to net cash provided by (used in) operating activities:				
Operating income (loss).....	\$ (46,078)	\$ (349)	\$ (19,026)	\$ 6,914
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	59	26	1,833	6,388
Gain (loss) on disposal of equipment.....	—	—	—	(521)
Other nonoperating revenues.....	—	—	60	1,638
Other nonoperating expenses.....	—	—	—	(2)
Other.....	(1)	(13)	(20)	(199)
Change in assets—decreases (increases):				
Accounts receivable, net.....	1,461	169	(9,862)	(261)
Due from other funds	—	(233)	—	(1,378)
Inventories.....	—	—	—	52
Other assets.....	(7,860)	2	(251)	—
Change in liabilities—increases (decreases):				
Accounts payable and accrued liabilities.....	418	557	2,288	(2,329)
Retainages payable.....	—	—	—	(78)
Policy claims.....	16,761	14,040	11,229	—
Due to other funds.....	—	55	—	(383)
Deferred revenues	1,841	1,484	10,311	—
Compensated absences payable.....	(14)	59	(11)	82
Other liabilities.....	—	—	—	19
Net cash provided by (used in) operating activities.....	\$ (33,413)	\$ 15,797	\$ (3,449)	\$ 9,942
Noncash capital, investing, and financing activities:				
Acquisition of capital assets through transfers from other funds.....	\$ 147	\$ —	\$ —	\$ —
Transfer of capital assets to other funds.....	—	(147)	—	—
Increase (decrease) in fair value of investments.....	(167)	298	—	—
Long-term debt forgiven.....	—	—	—	631
Total noncash capital, investing, and financing activities.....	\$ (20)	\$ 151	\$ —	\$ 631

<u>Central Supplies and Equipment</u>	<u>Motor Pool</u>	<u>Pension Adminis- tration</u>	<u>Prison Industries</u>	<u>Governor's School for the Arts Foundation, Inc.</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ (134)	\$ 2,015	\$ (1,221)	\$ (1,054)	\$ 74	\$ (61)	\$ (58,920)
4	5,884	250	530	—	—	14,974
—	627	—	—	—	—	106
—	200	9	—	—	—	1,907
—	—	—	(2,000)	—	—	(2,002)
(2)	2	2	201	1	—	(29)
—	(10)	(296)	93	687	—	(8,019)
(315)	(327)	—	502	—	12	(1,739)
149	(2)	—	479	—	—	678
—	—	—	—	—	—	(8,109)
(58)	8	897	(135)	(16)	(23)	1,607
—	—	—	(38)	—	—	(116)
—	(25)	—	—	—	—	42,005
(13)	(508)	(23)	302	—	(5,190)	(5,760)
—	—	—	—	—	—	13,636
—	9	(2)	(28)	—	17	112
—	—	1	—	—	—	20
<u>\$ (369)</u>	<u>\$ 7,873</u>	<u>\$ (383)</u>	<u>\$ (1,148)</u>	<u>\$ 746</u>	<u>\$ (5,245)</u>	<u>\$ (9,649)</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 147
—	—	—	—	—	—	(147)
—	—	—	—	—	—	131
—	—	—	—	—	—	631
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 762</u>

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Note 1b in the notes to the financial statements provides definitions of each of these fund types.

This subsection of the Comprehensive Annual Financial Report provides the following supplementary information for the State's fiduciary funds:

- Combining Statement of Plan Net Assets—Pension Trust Funds
- Combining Statement of Changes in Plan Net Assets—Pension Trust Funds
- Combining Statement of Fiduciary Net Assets—Private-Purpose Trust Funds
- Combining Statement of Changes in Fiduciary Net Assets—Private-Purpose Trust Funds
- Combining Statement of Fiduciary Net Assets—Agency Funds
- Combining Statement of Changes in Assets and Liabilities—Agency Funds

The State maintains only one investment trust fund, so no combining statements are necessary for that fund type. The paragraphs below describe all other individual fiduciary funds that the State uses.

a. Pension Trust Funds

South Carolina Retirement System. This is a multiple-employer pension system that benefits employees of the State, public schools, and political subdivisions of the State.

Police Officers' Retirement System. This is a multiple-employer pension system that benefits police officers and fire fighters employed by the State or its political subdivisions.

General Assembly Retirement System. This is a single-employer pension system that benefits members of the South Carolina General Assembly.

Judges' and Solicitors' Retirement System. This is a single-employer pension system that benefits the judges of the State's Supreme Court, Court of Appeals, circuit courts, family courts, and the State's circuit solicitors.

National Guard Pension System. The State administers this single-employer pension system that provides a supplemental retirement benefit to members of the South Carolina National Guard. The State is a nonemployer contributor to the system.

b. Private-Purpose Trust Funds

Tuition Programs Fund. This fund accounts for two types of tuition programs. The South Carolina Tuition Prepayment Program, also known as the PACE (Prepaid Affordable College Education) Program, allows contributors to make affordable payments, under the terms of a tuition prepayment contract, to cover future undergraduate tuition expenses of a designated beneficiary at a South Carolina public college or university. The Future Scholar 529 College Savings Plans are for self-directed investors who wish to accumulate funds to cover future undergraduate expenses of a designated beneficiary at a South Carolina public college or university. The participants choose how they want their contributions invested from the available portfolios. This fund accounts for the contributions from participants of both programs and investment earnings on those deposits, as well as disbursements in accordance with program guidelines.

Other Private-Purpose Trust Funds. This fund accounts for monies received under various trust arrangements that specify how the principal and interest earnings should be used. These purposes include scholarships, the operation of the equestrian center and activities at the Springdale Race Course, and the decommissioning of a low-level radioactive waste disposal facility.

c. Agency Funds

Insurance Company Deposits Fund. This fund accounts for deposits which are required to be made by insurance companies in lieu of surety bonds.

Payroll Clearing Fund. This fund accounts for employee deductions and contributions for the short period of time between the issuance of payroll checks and payment to the proper recipient.

Other Agency Funds. Balances in these funds, aggregated for presentation purposes, represent amounts held for prisoners and patients of State institutions, cash bonds, miscellaneous clearing accounts, and other deposits.

Combining Statement of Plan Net Assets

PENSION TRUST FUNDS

June 30, 2002

(Expressed in Thousands)

	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Pension System	Totals
ASSETS						
Cash and cash equivalents.....	\$ 2,219,417	\$ 356,948	\$ 2,617	\$ 16,607	\$ 10,515	\$ 2,606,104
Receivables:						
Contributions.....	104,606	11,480	59	330	—	116,475
Employer long-term.....	2,079	29	—	—	—	2,108
Accrued interest.....	168,595	19,158	421	944	151	189,269
Unsettled investment sales.....	93,767	11,190	216	487	—	105,660
Total receivables.....	369,047	41,857	696	1,761	151	413,512
Due from other funds.....	15,371	3,258	—	81	—	18,710
Investments, at fair value:						
United States government securities.....	2,054,141	205,538	6,534	3,778	—	2,269,991
United States government agencies and government-insured securities.....	1,856,920	254,778	4,250	11,060	—	2,127,008
Corporate bonds.....	4,742,174	562,439	12,195	29,025	—	5,345,833
Financial and other.....	2,629,239	276,543	3,891	9,017	—	2,918,690
Equities.....	4,943,877	577,705	11,506	24,968	—	5,558,056
Total investments.....	16,226,351	1,877,003	38,376	77,848	—	18,219,578
Invested securities lending collateral.....	2,824,390	334,614	6,644	8,995	772	3,175,415
Capital assets, net.....	3,758	384	11	18	—	4,171
Other assets.....	134	16	—	1	—	151
Total assets.....	21,658,468	2,614,080	48,344	105,311	11,438	24,437,641
LIABILITIES						
Accounts payable—unsettled investment purchases.....	37,472	4,395	86	190	—	42,143
Due to other funds.....	21,141	638	74	—	—	21,853
Accounts payable and accrued liabilities.....	5,536	846	9	27	—	6,418
Deferred retirement benefits.....	229,590	—	—	—	—	229,590
Securities lending collateral.....	2,824,390	334,614	6,644	8,995	772	3,175,415
Total liabilities.....	3,118,129	340,493	6,813	9,212	772	3,475,419
NET ASSETS						
Held in trust for pension benefits....	\$ 18,540,339	\$ 2,273,587	\$ 41,531	\$ 96,099	\$ 10,666	\$ 20,962,222

Combining Statement of Changes in Plan Net Assets

PENSION TRUST FUNDS

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Pension System	Totals
Additions:						
Retirement contributions:						
Employer.....	\$ 509,044	\$ 88,608	\$ 2,627	\$ 5,993	\$ 2,255	\$ 608,527
Employee.....	413,850	56,562	641	1,437	—	472,490
Transfers from other retirement systems.....	55	1,974	2	191	—	2,222
Total retirement contributions.....	922,949	147,144	3,270	7,621	2,255	1,083,239
Investment income.....	175,075	19,459	38	1,069	775	196,416
Investment expense.....	12,986	1,481	31	61	—	14,559
Net income from investing activities.....	162,089	17,978	7	1,008	775	181,857
Securities lending income.....	51,503	5,670	202	163	—	57,538
Securities lending expense.....	43,308	4,978	181	146	—	48,613
Net income from securities lending activities.....	8,195	692	21	17	—	8,925
Total net investment income.....	170,284	18,670	28	1,025	775	190,782
Transfers in.....	3,141	92	—	—	—	3,233
Total additions.....	1,096,374	165,906	3,298	8,646	3,030	1,277,254
Deductions:						
Regular retirement benefits.....	957,114	111,216	4,537	8,063	2,127	1,083,057
Supplemental retirement benefits.....	3,141	92	—	—	—	3,233
Deferred retirement benefits.....	193,283	—	—	—	—	193,283
Refunds of retirement contributions						
to members.....	63,936	11,214	23	130	—	75,303
Group life insurance claims.....	13,492	1,608	12	7	—	15,119
Accidental death benefits.....	—	858	—	—	—	858
Depreciation.....	107	11	—	—	—	118
Administrative expense.....	12,699	1,509	30	65	23	14,326
Transfers to other retirement systems.....	2,104	—	118	—	—	2,222
Transfers out.....	—	—	—	—	144	144
Total deductions.....	1,245,876	126,508	4,720	8,265	2,294	1,387,663
Change in net assets	(149,502)	39,398	(1,422)	381	736	(110,409)
Net assets at beginning of year.....	18,689,841	2,234,189	42,953	95,718	9,930	21,072,631
Net assets at end of year.....	\$ 18,540,339	\$ 2,273,587	\$ 41,531	\$ 96,099	\$ 10,666	\$ 20,962,222

Combining Statement of Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2002

(Expressed in Thousands)

	Tuition Programs	Other Private-Purpose Trust	Totals
ASSETS			
Cash and cash equivalents.....	\$ 48,641	\$ 28,637	\$ 77,278
Receivables, net:			
Accounts.....	129	48	177
Participants.....	27,351	—	27,351
Accrued interest.....	55	392	447
Unsettled investment sales.....	326	—	326
Investments.....	21,552	—	21,552
Invested securities lending collateral	10,402	5,191	15,593
Capital assets, net.....	—	4,543	4,543
Total assets.....	108,456	38,811	147,267
LIABILITIES			
Accounts payable—unsettled investment purchases.....	319	—	319
Accounts payable and accrued liabilities.....	15	25	40
Tuition benefits payable.....	87,735	—	87,735
Securities lending collateral.....	10,402	5,191	15,593
Total liabilities.....	98,471	5,216	103,687
NET ASSETS			
Held in trust for other purposes.....	<u>\$ 9,985</u>	<u>\$ 33,595</u>	<u>\$ 43,580</u>

Combining Statement of Changes in Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2002
(Expressed in Thousands)

	Tuition Programs	Other Private-Purpose Trust	Totals
Additions:			
Charges for services.....	\$ 65	\$ —	\$ 65
Licenses, fees, and permits.....	—	386	386
Tuition plan deposits.....	42,445	—	42,445
Interest income.....	1,495	1,541	3,036
Capital contributions.....	—	146	146
Total additions.....	44,005	2,073	46,078
Deductions:			
Tuition plan disbursements.....	33,505	—	33,505
Depreciation.....	—	61	61
Administrative expense.....	15	31	46
Payments in accordance with trust agreements.....	—	2,893	2,893
Transfers out.....	365	—	365
Total deductions.....	33,885	2,985	36,870
Change in net assets.....	10,120	(912)	9,208
Net assets at beginning of year (restated).....	(135)	34,507	34,372
Net assets at end of year.....	\$ 9,985	\$ 33,595	\$ 43,580

Combining Statement of Assets and Liabilities

AGENCY FUNDS

June 30, 2002

(Expressed in Thousands)

	Insurance Company Deposits	Payroll Clearing	Other Agency	Totals
ASSETS				
Cash and cash equivalents.....	\$ —	\$ 11,170	\$ 151,027	\$ 162,197
Receivables, net:				
Accounts.....	—	25	10,704	10,729
Taxes.....	—	—	3,137	3,137
Due from other funds.....	—	46,524	5,501	52,025
Investments.....	—	—	21,507	21,507
Securities held in lieu of surety bonds.....	369,918	—	165	370,083
Invested securities lending collateral	—	—	27,970	27,970
Total assets.....	\$ 369,918	\$ 57,719	\$ 220,011	\$ 647,648
LIABILITIES				
Due to other funds.....	\$ —	\$ 10,995	\$ 15	\$ 11,010
Accounts payable and accrued liabilities.....	—	161	8,585	8,746
Tax refunds payable.....	—	—	44	44
Intergovernmental payables.....	—	—	3,075	3,075
Deposits.....	—	—	733	733
Amounts held in custody for others.....	369,918	46,563	179,589	596,070
Securities lending collateral.....	—	—	27,970	27,970
Total liabilities.....	\$ 369,918	\$ 57,719	\$ 220,011	\$ 647,648

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS

For the Fiscal Year Ended June 30, 2002
(Expressed in Thousands)

	Balance July 1, 2001 (Restated)	Additions	Deductions	Balance June 30, 2002
INSURANCE COMPANY DEPOSITS				
Assets:				
Cash and cash equivalents.....	\$ —	\$ 1,572	\$ 1,572	\$ —
Securities held in lieu of surety bonds.....	368,346	80,945	79,373	369,918
Total assets.....	\$ 368,346	\$ 82,517	\$ 80,945	\$ 369,918
Liabilities:				
Amounts held in custody for others.....	\$ 368,346	\$ 80,944	\$ 79,372	\$ 369,918
Total liabilities.....	\$ 368,346	\$ 80,944	\$ 79,372	\$ 369,918
PAYROLL CLEARING				
Assets:				
Cash and cash equivalents.....	\$ 11,324	\$ 1,087,435	\$ 1,087,589	\$ 11,170
Accounts receivable.....	23	25	23	25
Due from other funds.....	51,781	46,524	51,781	46,524
Total assets.....	\$ 63,128	\$ 1,133,984	\$ 1,139,393	\$ 57,719
Liabilities:				
Due to other funds.....	\$ 11,214	\$ 10,995	\$ 11,214	\$ 10,995
Accounts payable and accrued liabilities.....	120	170	129	161
Amounts held in custody for others.....	51,794	926,126	931,357	46,563
Total liabilities.....	\$ 63,128	\$ 937,291	\$ 942,700	\$ 57,719

Continued on Next Page

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

	Balance July 1, 2001 (Restated)	Additions	Deductions	Balance June 30, 2002
OTHER AGENCY				
Assets:				
Cash and cash equivalents.....	\$ 212,692	\$ 1,794,123	\$ 1,855,788	\$ 151,027
Accounts receivable.....	7,224	40,082	36,602	10,704
Taxes receivable.....	8,245	45,787	50,895	3,137
Loans and notes receivable.....	82	—	82	—
Due from other funds.....	9,751	70,081	74,331	5,501
Investments.....	21,965	22,987	23,445	21,507
Securities held in lieu of surety bonds.....	—	165	—	165
Invested securities lending collateral.....	10,114	27,970	10,114	27,970
Total assets.....	\$ 270,073	\$ 2,001,195	\$ 2,051,257	\$ 220,011
Liabilities:				
Due to other funds.....	\$ 73,842	\$ 15	\$ 73,842	\$ 15
Accounts payable and accrued liabilities.....	4,518	12,068	8,001	8,585
Tax refunds payable.....	411	44	411	44
Intergovernmental payables.....	2,435	3,075	2,435	3,075
Deposits.....	472	1,474	1,213	733
Amounts held in custody for others.....	178,281	1,523,384	1,522,076	179,589
Securities lending collateral.....	10,114	27,970	10,114	27,970
Total liabilities.....	\$ 270,073	\$ 1,568,030	\$ 1,618,092	\$ 220,011
TOTALS--ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents.....	\$ 224,016	\$ 2,883,130	\$ 2,944,949	\$ 162,197
Accounts receivable.....	7,247	40,107	36,625	10,729
Taxes receivable.....	8,245	45,787	50,895	3,137
Loans and notes receivable.....	82	—	82	—
Due from other funds.....	61,532	116,605	126,112	52,025
Investments.....	21,965	22,987	23,445	21,507
Securities held in lieu of surety bonds.....	368,346	81,110	79,373	370,083
Invested securities lending collateral.....	10,114	27,970	10,114	27,970
Total assets.....	\$ 701,547	\$ 3,217,696	\$ 3,271,595	\$ 647,648
Liabilities:				
Due to other funds.....	\$ 85,056	\$ 11,010	\$ 85,056	\$ 11,010
Accounts payable and accrued liabilities.....	4,638	12,238	8,130	8,746
Tax refunds payable.....	411	44	411	44
Intergovernmental payables.....	2,435	3,075	2,435	3,075
Deposits.....	472	1,474	1,213	733
Amounts held in custody for others.....	598,421	2,530,454	2,532,805	596,070
Securities lending collateral.....	10,114	27,970	10,114	27,970
Total liabilities.....	\$ 701,547	\$ 2,586,265	\$ 2,640,164	\$ 647,648

Discretely Presented Component Units

Note 1a in the notes to the financial statements explains the relationship of component units to the primary government and the differences between blended component units and discretely presented component units. Note 1b in the notes to the financial statements explains that the State has designated four of its discretely presented component units as major component units. Government-wide financial statements for each of the four major component unit are included in the basic financial statements (immediately preceding the notes to the financial statements).

This subsection of the Comprehensive Annual Financial Report provides the following supplementary information for the State's nonmajor discretely presented component units:

- Combining Statement of Net Assets—Nonmajor Discretely Presented Component Units
- Combining Statement of Activities—Nonmajor Discretely Presented Component Units
- Balance Sheet—First Steps to School Readiness Board of Trustees
- Statement of Revenues, Expenditures, and Changes in Fund Balances—First Steps to School Readiness Board of Trustees

a. Nonmajor Discretely Presented Component Units

The paragraphs below describe the State's nonmajor discretely presented component units:

The South Carolina First Steps to School Readiness Board of Trustees (First Steps) was established in 1999 as a non-profit, tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The corporation was created specifically to carry out the objectives of The South Carolina First Steps to School Readiness Act and to lessen the burdens on government by overseeing the South Carolina First Steps to School Readiness initiative for improving early childhood development.

The Children's Trust Fund of South Carolina, Inc. (the Fund), is a non-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Fund's purpose is to stimulate innovative prevention and treatment programming to meet critical needs of South Carolina's children by awarding grants to private non-profit organizations. The financial information presented in the accompanying supplemental information is for the Fund's fiscal year ended December 31, 2001.

The Savannah Lakes Regional Loan Fund was established in 1990. It maintains a revolving loan fund to promote economic development in the State's Savannah Lakes Region.

b. First Steps to School Readiness Board of Trustees (First Steps)

The State presents fund financial statements for First Steps, a nonmajor discretely presented component unit, because that organization does not issue separately audited financial statements of its own. First Steps uses accounting principles that apply to special revenue funds. As such, it uses the current financial resources measurement focus and the modified accrual basis of accounting.

Combining Statement of Net Assets

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2002

(Expressed in Thousands)

	First Steps to School Readiness Board of Trustees	Children's Trust Fund of S.C., Inc.	Savannah Lakes Regional Loan Fund	Totals
ASSETS				
Current assets:				
Cash and cash equivalents.....	\$ 9,446	\$ 145	\$ 374	\$ 9,965
Investments.....	—	608	140	748
Invested securities lending collateral.....	1,891	—	—	1,891
Accounts receivable, net	226	3	—	229
Total current assets.....	11,563	756	514	12,833
Long-term assets:				
Investments.....	—	118	—	118
Depreciable capital assets, net.....	28	—	—	28
Total long-term assets.....	28	118	—	146
Total assets.....	11,591	874	514	12,979
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities.....	688	29	—	717
Intergovernmental payables.....	91	—	—	91
Securities lending collateral.....	1,891	—	—	1,891
Compensated absences payable.....	74	—	—	74
Total current liabilities.....	2,744	29	—	2,773
Long-term liabilities:				
Compensated absences payable.....	48	—	—	48
Total liabilities.....	2,792	29	—	2,821
NET ASSETS				
Invested in capital assets, net of related debt..	28	—	—	28
Restricted, expendable:				
Education.....	8,771	—	—	8,771
Other.....	—	254	—	254
Unrestricted.....	—	591	514	1,105
Total net assets.....	\$ 8,799	\$ 845	\$ 514	\$ 10,158

Combining Statement of Activities

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue
First Steps to School Readiness				
Board of Trustees.....	\$ 37,537	\$ —	\$ 3,109	\$ (34,428)
Children's Trust Fund of S.C., Inc.....	153	—	338	185
Savannah Lakes Regional Loan Fund.....	4	5	9	10
Totals.....	\$ 37,694	\$ 5	\$ 3,456	\$ (34,233)

Net Assets Beginning of Year (Restated)	Net Assets End of Year
\$ 43,227	\$ 8,799
660	845
504	514
\$ 44,391	\$ 10,158

Balance Sheet

FIRST STEPS TO SCHOOL READINESS

BOARD OF TRUSTEES

June 30, 2002

(Expressed in Thousands)

ASSETS

Cash and cash equivalents.....	\$	9,446
Invested securities lending collateral.....		1,891
Accounts receivable, net		<u>226</u>
Total assets.....	\$	<u>11,563</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued liabilities.....	\$	688
Intergovernmental payables.....		91
Securities lending collateral.....		<u>1,891</u>
Total liabilities.....		<u>2,670</u>

Fund Balance:

Unreserved, undesignated.....		<u>8,893</u>
Total liabilities and fund balance.....	\$	<u>11,563</u>

Statement of Revenues, Expenditures, and Changes in Fund Balance

FIRST STEPS TO SCHOOL READINESS

BOARD OF TRUSTEES

For the Fiscal Year Ended June 30, 2002

(Expressed in Thousands)

Revenues:

Interest and other investment income.....	\$ 1,309
Contributions.....	<u>1,800</u>
Total revenues.....	<u>3,109</u>

Expenditures:

Current:	
Education.....	6,259
Intergovernmental	<u>31,248</u>
Total expenditures.....	<u>37,507</u>

Deficiency of revenues under expenditures.....	(34,398)
Fund balance at beginning of year.....	<u>43,291</u>
Fund balance at end of year.....	<u><u>\$ 8,893</u></u>